

Government of Mexico. Why were officials of the United States Government working on public relations for the Mexican Government, and I might add, putting out false information, aligning themselves to false information being circulated?

The letter to the Washington Post, my colleagues, Senators SPECTER and KERREY, advised, "We believe—based on a reading of United States analysis since last spring, that policymakers were adequately forewarned of Mexico's declining financial position and of domestic political pressures that made it difficult for the Mexican Government to take timely action in the economic sphere."

Mr. President, internal administration documents make clear that Under Secretary Summers and other treasury officials were not forthcoming to the Congress and the American people. I agree with A.M. Rosenthal of the New York Times who wrote on April 4, 1995, in a column entitled "Cover-Up Chronology," "Real concern for Mexico would have meant public warnings from Washington as soon as trouble was discovered. Legitimate confidentiality does not include deceiving the world."

I think that bears repeating: "Legitimate confidentiality does not include deceiving the world." That is what we have a pattern of, deception.

There are vital lessons to be learned from the handling of the Mexican crisis. The American people and their elected representatives were entitled to the truth about Mexico's precarious and deteriorating condition during 1994. Mr. President, the official reports by the Mexican Government and the positive public statements made by the United States administration were completely contradictory to the true condition of Mexico's economy. The American taxpayers should not be forced to bear further financial risk. U.S. dollars should not be used to bail out private investors who gambled on high-risk, high-return instruments. We should not be sending another \$10 billion in American taxpayer dollars based upon a web of half-truths, distortions, and concealments. That is wrong. The American people have a right to be outraged that their tax dollars are going to bail out local speculators and not improve the plight of the Mexican people. Congress should be outraged as well.

Mr. President, I thank my colleagues for giving me this opportunity to make this report to the American people.

I yield the floor.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Utah, Mr. HATCH, is recognized.

COMPREHENSIVE REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

Mr. HATCH. Mr. President, we now resume consideration of S. 343, the

Comprehensive Regulatory Reform Act of 1995, and in doing so, I am reminded of an ancient story. When Hercules was tested, one of his tasks was to slay the Hydra, a nine-headed serpent. Yet, for every head of the Hydra that Hercules cut off, two more grew in its place. It seems that regulations have become the 20th century Hydra, the only difference being that at least the Hydra was mythical and regulations are not.

For hard-working, middle-class Americans, trying to cope with thousands upon thousands of regulations is indeed a Herculean task. Today, a small business person needs a law firm, an accountant and a doctor in order to cope with the regulations and barriers they impose. Why a doctor? First, for the headaches he or she will have trying to decipher all of the gobbledygook, and later for the heart attack when the agency issues citations for violations he or she did not even realize were violations.

I recall testimony the Labor Committee received back in 1981 when we were considering legislation to revamp the CETA Program. I remember it because I was so impressed with the specific numbers cited to demonstrate the regulatory burden of the then Federal program. The testimony from the county job training official in Ohio pointed out that CETA regulations "cross-referenced 75 other laws, Executive orders and circulars. The Department of Labor has issued an average of over 400 field memoranda, more than 1 per day, including Sundays and holidays."

This is not how Government is supposed to work, and it has to stop. The problem is that the bureaucracy is replacing democracy, and it is imposing high costs on private citizens and impinging on private rights and productivity. This bill remedies that by imposing common sense, rational decisionmaking on agencies. When any rational person is trying to make a decision, he or she weighs the cost of the action and the benefits that the action will bring. Now that is just simple common sense. That is what this bill does.

There are some who will say, "Oh, we are going to do away with clean water and clean air" and all the other regulations they claim are so important to all of us, and they are important. No, we are not going to do that. We are just going to make sure there is common sense in these regulations, and they have to meet a cost-benefit analysis and some risk-assessment matters as well.

I just have to say the Federal bureaucracy in this country does not have common sense, and we are in danger of losing our country. Nobody ever contemplated that the bureaucracy would become the fourth branch of Government, but it is now the fourth branch of Government and it may be more powerful than the other three that are constitutionally set apart.

Under current law, when the bureaucracy considers making another

rule, it often considers only the benefits and not the costs. It comes as no surprise that everything looks like a good idea if you have to only look at the benefit side and you do not have to pay for it.

I am reminded of the headline in the Wall Street Journal not too long ago that spoke volumes. It read something like: "If you're buying, I'll have sirloin." All this bill seeks to do is to make sure the agencies look at the cost side as well. I cannot believe that anyone in this body would find that objectionable.

Let me briefly explain how the bill works. The Comprehensive Regulatory Reform Act of 1995 is aimed at stopping regulatory abuses and curbing excessive costs. The bill embodies the most basic notion of decisionmaking: Justify the costs. That is all the American people ask of their Government, that it justify the costs of its actions.

Indeed, it is only common sense that when an action would produce more harm than good, it should not be taken. Accordingly, the centerpiece of the bill is the requirement for cost-benefit analysis of proposed rules. Right now, agencies are notorious for only looking at the benefits of rules and ignoring the cost to society. This bill forces the agencies to put both costs and benefits on the table.

This provision is eminently reasonable and sensible. For one thing, it applies only to major rules which are defined as those having an annual effect on the economy of \$50 million or more. In general, the agency must set out the costs and benefits and identify the reasonable alternatives. The agency then selects the best option in conjunction with requirements in the underlying statute.

Significantly, the cost-benefit provisions of this bill work in harmony with the particular statutes that the Federal agencies implement. The cost-benefit criteria do not override specific statutory criteria for agency decisionmaking. Instead, they supplement those criteria to fine tune the regulatory process.

Complementing the cost-benefit analysis is a risk-assessment provision. This sets out guidelines for how various risks are to be evaluated. Right now, agencies sometimes regulate for minuscule risks but at a tremendously great cost to the country. If, for example, we applied the same test to driving an automobile as we do to marketing of some food additives, drugs or medical devices, no one would be driving a car in this country. You could not afford to do it and you would not be able to.

Also, agencies sometimes evaluate the risks based on questionable scientific techniques. By requiring a risk assessment and by establishing standards for scientific quality, this bill will ensure reliable results when agencies

determine the costs and benefits of regulation. It will also improve the consistency and risk assessment across Federal agencies.

In a related vein, the bill modifies the much-criticized Delaney clause of the Federal Food, Drug and Cosmetic Act. The Delaney clause requires that no processed foods, products containing a color additive or animal drug may be sold unless they do not contain even trace amounts of materials that have been demonstrated to cause cancer to humans or animals. That may have sounded good in the abstract, in reality it has become a burdensome rule that does not further the health and safety goals that it was designed to address.

Let us take food, for example. Given modern technology, it is possible to detect the smallest amount of chemicals in food. When Delaney was enacted, it was parts per thousand. Today it is parts per quadrillion that we can actually determine. Under the Delaney clause, those materials cannot be included, the smallest amounts of chemicals in food, if they are carcinogenic, in any amounts or under any circumstances, even though there is basically no risk in eating the food.

The problem is that many materials may be carcinogenic only if given in extraordinarily large doses and may be carcinogenic in animals for reasons for which there is no comparable reaction in humans. In this way, the Delaney clause has irrationally forbidden the inclusion of even trace amounts of materials in foods, even when scientists unanimously agree that there is absolutely no harm to humans from its consumption.

The scientific evidence has shown us the Delaney clause, despite its laudable goals, does not really work in practice. That is why we must modify it in this bill. In addition to the substantive reforms, this bill also includes several review provisions to ensure openness and accountability in the regulatory process.

The congressional review process, for example, provides Congress with an ability to stop a proposed rule if it disapproves of that rule. This gives Congress the opportunity to examine those rules before they take effect and do the harm. If within 60 days of the rule's adoption both Houses vote to disapprove the rule, and the President agrees, the rule will not be effective.

The effective dates of major rules are also held off for those 60 days during the congressional review period. This provision maintains a congressional role in the regulatory process and adds another guarantee that regulators will be held accountable for their actions. In addition, a separate type of review is involved to ensure that agencies conduct their own periodic review to fix outdated and insufficient or inefficient regulations.

Agencies, it seems to me, have an obligation to keep their regulations current. Under this provision, agencies would promulgate a list of existing regu-

lations that the agency feels are appropriate for review, along with a schedule for agency review of those regulations, over a 10-year period. The agency must apply the cost-benefit analysis to the rule and then decide whether to extend, modify, or rescind the rule. Any rules in the schedule that are not acted on in accordance with the agency schedule would automatically expire.

In addition, the bill includes a petition process, whereby any interested party may seek to get a major rule review. An agency must grant the petition. If the agency finds a reasonable likelihood that the rule would not meet the cost-benefit test to ensure correct decisionmaking, the agency's decision is then subject to judicial review. Through these processes, a petition can be filed to challenge an existing rule to ensure that it satisfies the cost-benefit and risk-assessment standards.

The agency itself also has the duty to ensure that its current rules satisfy those standards. This keeps the agency accountable to the public, gives the American people a role in the process, and ensures that all rules continue to be justified.

Finally, accountability of Federal regulators is further guaranteed through a judicial review. Perhaps the most important provision in the bill is the provision permitting judicial review of agency action. By allowing courts to enforce the requirements of the bill, the bureaucrats will be accountable in court for their actions.

Unfortunately, the way things stand today, the bureaucracy is out of control. Those who churn out regulations day after day should, just like every other American, be accountable for their actions. Without this important judicial enforcement mechanism, and without the other review provisions, this bill would be a little more than a weak statement of policy. The added review makes this bill a powerful tool to reshape the Federal agencies.

Now, Mr. President, in spite of everything, there are still those who oppose this bill and defend inefficient, irrational agency regulations. The opponents of this bill have only one weapon with which to attack, and that is fear. I expect that opponents of the bill will lay out a litany of unknown horrors that, according to them, only unbridled bureaucracies will somehow be able to handle.

These scare tactics are nothing more than that, tactics to derail these needed reforms. They have nothing to do with the reality of the bill and everything to do with preserving big Government.

The fact is that this bill will only change inefficient regulations and require that rules be updated so that they remain efficient. Let me be perfectly clear that this bill will not prevent agencies from protecting Americans from unsafe drugs, unsafe workplaces, polluted air and water, or dis-

crimination. It will not prevent agencies from responding to disasters when and where the Government's help is needed. Rules that truly add to society are completely secure under this bill.

Mr. President, in conclusion, let me just say that too much of anything, even a good thing, is bad. Federal regulation has reached that point. The Comprehensive Regulatory Reform Act of 1995 is the response to a bureaucracy run wild.

It is the response we must make to a bureaucracy that no longer sees the American taxpayer and American business, especially small business, as clients to whom Federal agencies should be accountable. It is the response we need to restore the balance between costs and benefits, between protection and freedom.

Those rules that truly provide a benefit to the country will remain on the books. This bill does not backdoor repeal a host of other statutes, many of which I voted for, by preventing agencies from issuing regulations.

But the senseless regulations that create more problems than they solve must either be fixed or scrapped.

The neighborhood grocer in south central Los Angeles, the rural Utah county landowner, the farmer in Kansas, the auto manufacturer in Detroit, or the university in Pennsylvania, have all just had it up to here with regulation and with overregulation. All Americans are united in their frustration with an unresponsive, inflexible, inefficient and overweight Federal bureaucracy.

If the 1994 elections told us anything, it was that the American people are fed up. The number and scope of Federal regulations are just additional indications that Government has gotten too darn big.

This bill is as direct an answer as we can give to their pleas that we can, in fact, control the Federal Government, not be controlled by it.

I urge my colleagues to support this important bipartisan, commonsense initiative. I thank my colleague from South Carolina and my friend from Delaware for being patient as I delivered these few remarks.

THE PRESIDING OFFICER. The Senator from Delaware [Mr. ROTH] is recognized.

COMPREHENSIVE REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

Mr. ROTH. Mr. President, the suggestion has been made on this floor earlier today that regulatory reform is primarily a matter of trying to satisfy the needs of special interests. Nothing could be further from the truth. I think it is fair to say that is recognized on both sides of the political aisle.

I was pleased to note that the distinguished ranking member of the Governmental Affairs Committee and former chairman, Senator GLENN from